

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
DEXTER-ALMO HEIGHTS WATER DISTRICT	)	2017-00228

ORDER

On May 31, 2017, Dexter-Almo Heights Water District (“Dexter-Almo”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Dexter-Almo purchases water from the Murray Municipal Utilities (“Murray”).
2. Murray notified Dexter-Almo on October 5, 2016 that its wholesale rate would increase from \$2.43 per 1,000 gallons to \$2.67 per 1,000 gallons effective July 1, 2017<sup>2</sup>. Dexter-Almo proposed to increase the water rates to its customers effective July 1, 2017, to reflect the increased cost of purchased water from Murray.
3. Dexter-Almo proposed a purchased water adjustment factor of \$0.27 per 1,000 gallons in its application, based on a calculation of its increased cost of water being \$0.2739 per 1,000 gallons. Dexter-Almo included proposed rates reflecting an increase of \$0.27 per 1,000 gallons. By letter, Dexter-Almo has subsequently requested to amend its application to propose a revised purchased water adjustment factor of \$0.28 per 1,000

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS 2015-00339 (Ky. PSC filed Mar. 28, 2015); The tariff was accepted for filing by the Commission by letter dated July 1, 2015.

gallons<sup>3</sup> to reflect a rounding up of its increased cost of purchased water, rather than its prior proposal to round down. However, Dexter-Almo did not file a revised schedule of rates to reflect the purchased water adjustment of \$0.28 per 1,000 gallons.

4. During the 12 months ended May 31, 2016, Dexter-Almo purchased 42,982,500 gallons of water from Murray. During the same period, Dexter-Almo sold 37,661,800 gallons of water. The increase in the cost of purchased water is \$10,315.80, resulting in a purchased water adjustment factor of \$0.28 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.28 per 1,000 gallons, as calculated in Appendix A to this Order, permits Dexter-Almo to pass through the increase in its wholesale rates from Murray and is fair, just, and reasonable and should be approved.

6. Dexter-Almo's proposed schedule of rates filed in the application should be denied.

7. The rates based on the \$0.28 per 1,000 gallon purchased water adjustment factor as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Dexter-Almo on and after July 1, 2017.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.28 per 1,000 gallons is approved.

2. Dexter-Almo's proposed rates are denied.

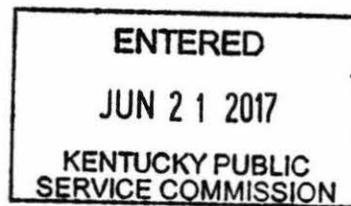
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<sup>3</sup> Letter from Joe Don Taylor, Commissioner, Dexter-Almo Heights Water District to Talina Mathews, Executive Director, Public Service Commission, filed June 5, 2017.

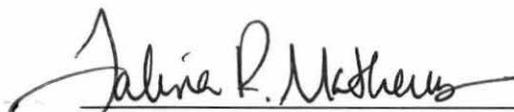
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Dexter-Almo on and after July 1, 2017.

4. Within 20 days of the date of this Order, Dexter-Almo shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
Executive Director

Case No. 2017-00228

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
 COMMISSION IN CASE NO. 2017-00228 DATED **JUN 21 2017**

	New Rate	Base Rate
Dexter-Almo Murray		
Purchases in gallons	42,982,500	42,982,500
	<u>\$ 2.67/1,000</u>	<u>\$ 2.43/1,000</u>
Total	\$114,763.28	\$104,447.48

Increased water cost \$ 10,315.80

Increased water cost \$ 10,315.80  
 Divided by gallons sold/1,000 37,661,800  
 Purchased water adjustment factor \$ 0.2739 per 1,000 gallons  
 or \$ 0.28 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00228 DATED **JUN 21 2017**

The following rates and charges are prescribed for the customers in the area served by Dexter-Almo Heights Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 14.07 Minimum Bill
Next	3,000 gallons	5.41 per 1,000 gallons
Next	5,000 gallons	4.71 per 1,000 gallons
Next	10,000 gallons	4.41 per 1,000 gallons
Over	20,000 gallons	3.41 per 1,000 gallons

\*Dexter-Almo Heights Water District  
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P. O. Box 55  
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\*Charles Boren  
Commissioner  
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